

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company  
Proposing a Market Structure and Rules for the  
Northern California Natural Gas Industry for the  
Period Beginning January 1, 2003 as Required by  
Commission Decision 01-09-016. (U 39 G)

Application 01-10-011  
(Filed October 8, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SHORTENING TIME TO COMMENT ON GAS ACCORD II  
SETTLEMENT AGREEMENT AND PROVIDING NOTICE OF THE  
SETTLEMENT'S EFFECT ON DECISIONS (D.) 97-08-055 AND D.98-12-082**

**Summary**

On May 20, 2002, Pacific Gas and Electric Company (PG&E) and 13 other parties filed a "Joint Motion For Approval Of Gas Accord II Settlement Agreement And Request For Shortened Comment Time." The motion requests that the Commission approve the proposed settlement agreement, which would extend the existing market structure, rates, tariffs, and terms and conditions of service, of PG&E's natural gas transmission and storage system for an additional one-year term. The proposed settlement would also set up a process for extending existing transmission and storage contracts for the one-year period, and for an open season process for expansion and relinquished capacity.

Today's ruling grants the motion's request to shorten the time for interested parties to file comments on the proposed Gas Accord II settlement agreement. The ruling also provides notice to affected parties that the adoption of the proposed settlement agreement would have the effect of modifying D.97-08-055 and D.98-12-082. The ruling also grants the pleadings of El Segundo Power LLC (El Segundo Power) and Kern River Gas Transmission Company (Kern River) to participate in this proceeding as interested parties.

### **Request For Shortened Comment Period**

Under Rule 51.4 of the Commission's Rules of Practice and Procedure, a party to a proceeding that does not expressly join in a proposed stipulation or settlement has 30 days from the date of mailing of the stipulation or settlement to file comments contesting all or part of the proposed stipulation or settlement. The rule also provides that parties shall have 15 days after the comments are filed to file reply comments.

The joint motion requests that the time for the filing of comments and reply comments to the proposed settlement be shortened. The parties request a shortened comment period so the Commission can address the proposed settlement on an expeditious basis in advance of the winter heating season, and to provide a level of commercial certainty to industry participants.

Based on the reasons stated in the joint motion, I will grant the request to shorten the time for parties to file comments and reply comments on the proposed settlement agreement. Opening comments on the proposed settlement shall be filed with the Docket Office on or before June 10, 2002, and electronically

served on the service list in this proceeding, A.01-10-011.<sup>1</sup> Reply comments shall be filed on or before June 17, 2002, and served in the aforementioned manner.

This is the opportunity for interested parties to file comments on the proposed settlement. If a party contests all or part of the proposed settlement, or wishes to make a different proposal, they should provide their reasons for doing so in accordance with Rule 51.5 of the Commission's Rules of Practice and Procedure.

The joint parties also filed a "Joint Motion To Change The Procedural Schedule For Litigation Of Scoping Memo Issues." At the present time, prepared testimony, reply testimony, and evidentiary hearings are scheduled for July 15, July 29, and August 5 through August 14, 2002, respectively. The joint parties request that the schedule be pushed back to an October/November timeframe. A ruling on that motion will issue during the week of June 17, 2002.

#### **Notice Of Effect On D.97-08-055 and D.98-12-082**

The proposed settlement would extend the provisions of the original Gas Accord for an additional one-year term, and would extend PG&E's ability to use financial risk management tools to manage the price and revenue risks associated with its natural gas transmission and storage assets. The Gas Accord was originally adopted in D.97-08-055. Two subsequent decisions, D.00-02-050 and D.00-05-049, affected the provisions of the Gas Accord. PG&E's authorization to use financial risk management tools was authorized in D.98-12-082, as modified by D.99-04-013.

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<sup>1</sup> For those on the service list who do not have electronic addresses, or if the attempt to electronically serve a party is "bounced back" or undelivered, those parties shall be served by first class mail or other expeditious mode of delivery.

The proposed settlement, if approved, would have the effect of extending D.97-08-055 and D.98-12-082. Pursuant to Public Utilities Code Section 1708, notice is hereby given that D.97-08-055 and D.98-12-082 could be amended if the proposed settlement is adopted. In order to provide notice to all parties who could be affected by the Commission's adoption of the proposed settlement agreement, this ruling shall be served on the following service lists: A.01-10-011, A.92-12-043, A.98-04-008, R.98-01-011, and I.99-07-003.

### **Pleadings To Intervene**

Kern River and El Segundo Power filed their respective "Petition to Intervene" and "Motion to Intervene" on April 15, 2002 and April 22, 2002, respectively. Kern River and El Segundo Power, both of which have an interest in PG&E's California gas operations, request that they be allowed to participate in this proceeding as interested parties. No one opposes their pleadings. The pleadings of Kern River and El Segundo Power to intervene as interested parties in this proceeding is granted.

#### **IT IS RULED** that:

1. The May 20, 2002 request to shorten the comment period on the proposed Gas Accord II settlement agreement is granted on the following terms:

- a. On or before June 10, 2002, any party who did not expressly join in the proposed Gas Accord II settlement agreement may file with the Docket Office comments contesting all or part of the proposed settlement.
- b. On or before June 17, 2002, interested parties may file reply comments to the comments due June 10, 2002 with the Docket Office.
- c. Any party filing comments or reply comments shall electronically serve their documents on the service list in Application

(A.) 01-10-011, and if electronic service is unsuccessful, shall serve the document by first class mail or other expeditious mode of delivery.

2. The request of El Segundo Power LLC and Kern River Gas Transmission Company to intervene as interested parties in this proceeding is granted.

3. All interested parties are put on notice that the Commission's adoption of the proposed Gas Accord II settlement agreement will modify Decisions (D.) 97-08-055 and D.98-12-082, and to provide notice to affected parties, this ruling shall be served on the following service lists: A.01-10-011, A.92-12-043, A.98-04-008, R.98-01-011, and I.99-07-003.

Dated May 29, 2002, at San Francisco, California.

/s/ JOHN S. WONG  
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John S. Wong  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Shortening Time to Comment on Gas Accord II Settlement Agreement and Providing Notice of The Settlement's Effect on Decisions (D.) 97-08-055 And D.98-12-082 on all parties of record in this proceeding or their attorneys of record.

Dated May 29 2002, at San Francisco, California.

/s/ JEANNIE CHANG  
Jeannie Chang

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.